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SECURITY INFORMATION

CENTRAL INTELLIGENCE AGENCY
OFFICE OF RESEARCH AND REPORTS

8 November 1951

MEMORANDUM

TO : Department of State, Economic Defense Staff
Attention: Mr. E. G. Moline

FROM : Assistant Director, Research and Reports

SUBJECT : Information and advice to support US position to be taken in
forthcoming COCCO meeting of experts on ships and shipping.

REFERENCE: Your memorandum, same subject, dated 31 October 1951.

Answers to specific questions in your reference request are given below.
An Appendix containing additional information for the use of the Department
of State is attached.

1. Sale of Ships.

- a. There is ample intelligence to support the Department's proposals
on control over sale of ships.
- b. Intelligence for the guidance of the Department in setting strategic
limits for vessel speed, tonnage, and equipment is presented in
Section 2 of the Appendix, and a general review of some strategic
implications of current ship sales and repairs is furnished in
Section 3.
- c. The strategic importance of smaller vessels and the difficulties
which the surveillance of their construction and sale is likely
to present are reviewed in Section 2, par. 2 of the Appendix.
Nos. (1) and (2) of this question may be decided in the light of
these considerations and against the general Soviet industrial
background, as suggested in Section 1, par. 2 of the Appendix.
- d. A comment on the strategic importance of icebreakers under 2,000
horsepower is presented in Section 2, par. 3 of the Appendix.

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2. Ships' Supplies and Stores; Repairs, Overhauls, and Alterations;
the Fitting of Controlled Items in Ships under Construction.

- a. In our opinion, this proposal is likewise supported by ample intelligence.
- b. A summary of additional information on the volume, nature, and general effects of current repair activities in Western European shipyards is given in Section 3 and in the last paragraph of Section 5 of the Appendix.
- c. At the present time, no specific recommendations are made on the administrative feasibility of repair controls.

3. Chartering.

- a. From the intelligence point of view, the Department's proposal appears to cover the chief security problems.
- b. Additional information is summarized in Section 4 of the Appendix.
- c. From the intelligence point of view, 6 months would appear to be the minimum period of charter prohibitions for security reasons.
- d. As we understand the question, the danger here indicated does exist.
- e. The answer to this question depends on the nature and extent of such controls and their effectiveness. See the last paragraph of Section 4 of the Appendix and the background material presented in Section 1.

4. Transportation.

- a. As a corollary to chartering controls, any move to tighten control over the transportation of cargoes would strengthen the over-all COMCOM program in one of its principal strategic weaknesses.
- b. See Section 5 of the Appendix.
- c. The agency is currently concerned with certain aspects of this problem and may be in a position to provide intelligence derived from the material in question.

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- d. For the question of practicality, an evaluation of the likely incidence of the suggested transport controls has been furnished in Section 5 of the Appendix.

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MAX F. MILLIKAN

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